



HOW TO SELECT PROCUREMENT TECHNOLOGY

By James Meads

LESSON 01 – What is digital procurement?

So, let's first examine what is digital procurement? Well, digital procurement means introducing technology to a business's. Procurement functions with the goal usually in mind to drive greater efficiency, introduce process automation to repetitive tasks, or to provide integration to external data sources that can help speed up or make more informed decisions. By adopting these technologies, companies embark on the journey toward digital transformation. And this digital transformation journey comes in three distinct steps. Number one, digitization is the conversion of analog processes into digital ones and usually refers to taking a paper or email based process, for example, invoicing and using software to either automate or simplify the task. This first hurdle can seem costly, but then so are redundant processes. Number two, digitalization refers to actively using digital procurement tools and automating multiple manual tasks, monitoring your processes, using data, and, crucially, keeping tabs on how much money you're either spending or hopefully saving. And then third, digital transformation refers to the actual journey and the execution of that strategy. So, once a company has heavily invested in tech and integrated it across their infrastructure, they are now operating a digital first model. Technology then becomes the backbone of the company, and in doing so, it can create a lot of new opportunities to drive efficiency and reduce cost.
